



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: April 25, 2006

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

January 2006 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>January 2006</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$426,134,204	\$1,897,999,228
Percent Change	30.7%	26.1%
Corporate Income Tax		
Net Collections	\$ 34,006,284	\$ 441,509,935
Percent Change	53.1%	21.0%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$420,282,327	\$2,466,341,516
Change	17.8%	17.2%
Total Big Three Tax Types		
Net Collections	\$880,422,815	\$4,805,850,679
Percent Change	24.9%	20.8%

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be distributed.

TAX FACTS

January 2006

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	January 2006	January 2005	% Change
Gross Collections	\$ 182,419,323	\$ 119,604,915	52.5
Withholding	\$ 289,016,657	\$ 249,542,466	15.8
Refunds	\$ (9,866,032)	\$ (11,938,341)	(17.4)
Urban Revenue Sharing	\$ (35,435,744)	\$ (31,089,382)	14.0
Net Collections	\$ 426,134,204	\$ 326,119,658	30.7

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% Change
Gross Collections	\$ 513,689,739	\$ 350,544,301	46.5
Withholding	\$ 1,740,816,433	\$ 1,468,752,156	18.5
Refunds	\$ (108,456,737)	\$ (96,579,750)	12.3
Urban Revenue Sharing	\$ (248,050,207)	\$ (217,625,671)	14.0
Net Collections	\$ 1,897,999,228	\$ 1,505,091,036	26.1

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In January 2006, the Department issued an individual refund for \$25,353 and one corporate refund for \$110,000 for alternative fuel-related credits.

Ladewig Refunds

In January 2006, the department issued 136 warrants totaling \$72,443.64 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 307,667 refunds have been issue for a total of \$43,250,315. Attorney payments are not included in the refund amount and total \$ \$4,853,277 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,106	1,575,957	88,795	102,431	3	44,198	297,353	13,315	197,269	2,625	13	2,368,223
%	1.8	66.5	3.7	4.3	0.0	1.9	12.6	0.6	8.3	0.1	0.0	

In calendar year 2005 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	1,276	37,546	1,216	1,280	0	252	21,401	1,063	2,958	98	1	67,091
%	1.9%	56.0%	1.8%	1.9%	0.0%	0.4%	31.9%	1.6%	4.4%	0.1%	0.0%	

The 67,091 returns, representing current and prior tax years, filed through January 2006 compares to 125,882 returns filed during the same period of time in 2004 for an annual decrease of 46.7%. For tax year 2004 filed in 2005, 60,467 returns have been filed, a 48.7% decrease over filings in January 2004 for tax year 2003.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 97,247 returns in calendar year 2006 for tax year 2004 from filers who also have returns on record from calendar year 2004 with the same marital status. On average, these filers experienced a 6.6% increase in FAGI and a 6.5% increase in tax liability. More specifically, 30.7% of these filers experienced a decrease in tax liability; on average a decrease of 11.2% with a corresponding average decrease in FAGI of 27.3%. Filers with an increase in tax liability totaled 47,110 or 48.4% with an average FAGI increase of 20.2% and an average tax liability increase of 34.6%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2006 CYTD	\$ 378.47	44,662
2005 CYTD	\$ 308.17	63,475
% Change	22.8	(29.6)

"New" Filers in Calendar Year 2006

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 17,055 "new" returns have been filed thus far in 2006, representing approximately 19,746 persons, not including dependents. The average Federal Adjusted Gross Income is \$16,259 with an average tax liability of \$155. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 13.5% had a married filing joint filing status, 1.3% claimed a 65 and Over Exemption and 66.6% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES tax year 2004 was \$402.6 million, for an average of \$2,108. An additional \$75.5 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,850. Estimated payments received through January 2006 for tax year 2005 are as follows:

01/06	140ES payment	\$	248,466,280	Cumulative	\$	563,770,866
01/05	140ES payment	\$	135,692,488	Cumulative	\$	370,192,564
	% change		83.1			52.3
01/06	Average payment	\$	5,234	Cumulative	\$	2,670
01/05	Average payment	\$	3,978	Cumulative	\$	2,063
	% change		31.6			29.4
01/06	Applied refund	\$	797,240	Cumulative	\$	93,262,689
01/05	Applied refund	\$	920,803	Cumulative	\$	73,431,822
	% change		(13.4)			27.0
Total 01/06		\$	249,263,520	Cumulative	\$	657,033,555
Total 01/05		\$	136,613,292	Cumulative	\$	443,624,386
	% change		82.5			48.1

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2004, which shows an increase of 10.7% in withholding payments over the third quarter of 2003. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2004	11.0%	2 nd Quarter 2005	28.2 %
1 st Quarter 2005	7.1%	3 rd Quarter 2005	17.4%
		4 th Quarter 2005	100.8%

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2006	781	\$ 320,206	\$ 410
Calendar Year 2005	947	\$ 387,502	\$ 409
% Change	(17.5)	(17.3)	0.24

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2006:

	January 2006	Calendar Year Total
Check Off	\$70,548	\$70,548
Voluntary Donation	\$412	\$412
Number of Returns	11,566	11,566

Contributions on the Individual Income Tax Return

Through January 2006, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	162	\$ 2,252	\$ 13.90
Child Abuse	186	\$ 3,030	\$ 16.29
Special Olympics	80	\$ 1,105	\$ 13.81
Neighbors Helping	41	\$ 602	\$ 14.68
AID to Education	10	\$ 333	\$ 33.30
Domestic Violence Shelter	127	\$ 1,838	\$ 14.47
Democratic Party	21	\$ 319	\$ 15.19
Republican Party	19	\$ 322	\$ 16.95
Libertarian Party	2	\$ 15	\$ 7.50

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Jan 2006	Jan 2005	% Change
Gross Collections	\$40,013,321	\$26,481,318	51.1
Refunds	(\$6,007,037)	(\$4,271,547)	40.6
Net Collections	\$34,006,284	\$22,209,771	53.1

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$488,556,322	\$411,738,087	18.7
Refunds	(\$47,046,387)	(\$46,787,603)	0.6
Net Collections	\$441,509,935	\$364,950,484	21.0

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Jan 2006	\$25,142,202	Calendar Year Total	\$25,142,202
Jan 2005	\$21,883,140	Calendar Year Total	\$21,883,140
% Change	14.9%	% Change	14.9%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for January 2006 and for the calendar year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
Jan 2006	137	21	21	5	3	0	187	0.0
Jan 2005	144	19	15	4	5	0	187	

NEW INFORMATION

The next table shows the dollars of EFT estimated payments received from those counts above.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 and more	Total	% chg
Jan 2006	\$1,797,672	\$1,521,152	\$4,680,000	\$4,017,000	\$10,601,905	\$22,612,729	11.3%
Jan 2005	\$1,618,876	\$1,337,460	\$3,603,530	\$2,425,000	\$11,335,449	\$20,320,315	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 04/05 by corporate fiscal year. For example, in FY 04/05, 19.2% of the refund dollars paid were for corporate fiscal years ending in 2000 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	19.2%	4.5%	3.8%	48.9%	23.4%	0.4%

Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	23.5%	3.7%	2.8%	60.9%	11.2%	0.0%

Corporate Refunds

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

Jan 2006	\$16,244,000	Calendar Year Total	\$16,244,000
Jan 2005	<u>\$2,808,393</u>	Calendar Year Total	<u>\$2,808,393</u>
% Change	478.4%	% Change	478.4%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 112,597 corporate returns showing a fiscal year-end of 2004. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	274	35,862	64,351	379	11,731
%	0.2	31.8	57.2	0.3	10.4

Through January, 2006, 8,926 documents were received for a fiscal year-end of 2005, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	21	6,658	371	75	1,801
%	0.2	74.6	4.2	0.8	20.2

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. Through January 2005, the Department of Revenue received 9,084 documents with a fiscal year-end of 2004. Compared to 2005 documents, the Department has seen a 0.2% decrease in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for January 2006 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

Transaction Privilege, Severance and Use Tax Receipts (continued)

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	January 2006	January 2005	% change
Distribution Base	\$174,156,141	\$151,161,990	15.2
Non shared	328,898,875	280,548,580	17.2
Use Tax	31,316,999	24,134,289	29.8
Education Tax	62,357,078	53,434,027	16.7
Other Revenues	71,418,706	60,589,230	17.9
Total Collections	\$668,147,799	\$569,868,116	17.2

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Distribution Base	\$998,405,123	\$858,109,779	16.3
Non shared	1,935,194,654	1,655,419,121	16.9
Use Tax	186,796,935	153,018,190	22.1
Education Tax	365,625,106	311,759,113	17.3
Other Revenues	417,617,138	357,660,771	16.8
Total Collections	\$3,903,638,956	\$3,335,966,975	17.0

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	January 2006	January 2005	% change
Retained by State	\$420,282,327	\$356,818,639	17.8
Returned to Counties	70,550,653	61,235,722	15.2
Returned to Cities	43,539,035	37,790,498	15.2
Education Tax	62,357,078	53,434,027	16.7
Other Revenues	71,418,706	60,589,230	17.9
Total Collections	\$668,147,799	\$569,868,116	17.2

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Retained by State	\$2,466,341,516	\$2,104,399,374	17.2
Returned to Counties	404,453,915	347,620,272	16.3
Returned to Cities	249,601,281	214,527,445	16.3
Education Tax	365,625,106	311,759,113	17.3
Other Revenues	417,617,138	357,660,771	16.8
Total Collections	\$3,903,638,956	\$3,335,966,975	17.0

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	January 2006	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$218,280	5.5	\$1,737,723	3.7
Non-Metal Mining Oil/Gas	3.125%	1,222,197	39.7	7,032,153	27.0
Utilities	5.6%	31,444,974	19.4	243,016,158	12.1
Communications	5.6%	13,003,542	9.2	90,972,383	6.9
Private Car/Pipelines	5.6%	33,475	(42.3)	920,074	136.2
Publishing	5.6%	581,088	(5.3)	4,156,338	5.1
Job Printing	5.6%	1,680,793	12.3	11,316,435	8.9
Restaurants & Bars	5.6%	38,652,856	8.5	245,150,627	13.3
Amusements	5.6%	3,875,444	4.3	24,946,740	10.7
Commercial Lease	0%	7	N/A	N/A	N/A
Rental of Personal Property	5.6%	14,874,663	2.7	102,048,783	9.2
Contracting	3.75% - 5.6%	96,467,877	30.4	580,218,488	26.6
Feed Wholesale	Repealed	0	0	0	0
Retail	5.6%	288,760,584	14.4	1,543,332,963	15.6
Mining Severance	2.5%	2,574,227	45.2	15,088,989	78.1
Timber Severance	\$2.13/\$1.51 per 1000 board ft	5,923	505.4	14,330	153.6
Hotel/Motel	5.5%	8,700,591	11.9	59,305,190	13.4
Membership Camping	5.6%	28,674	18.5	78,632	(2.2)
Use Tax	5.6%	31,316,999	29.8	186,796,935	22.1
Rental Occupancy Tax	3.0%	18,394	141.3	78,059	1,604.4
Jet Fuel		448,666	83.7	3,244,899	33.1
Jet Fuel Use Tax	\$.0305/\$.0105 gal	11,299		147,395	(17.1)
Telecommunications Devices	1.1				
Telecomm	----	302,383	(15.5)	2,012,831	(20.1)
School for the Deaf and Blind		71,149	(41.2)	561,914	(33.9)
Poison Control	----	111,170	17.3	651,703	(2.1)
Teratogen Funding		4,497	(14.6)	29,651	(5.8)
911 Wireline	\$0.37/month per active service	1,139,348	(4.7)	8,014,003	(1.6)
911 Wireless	\$0.37/month per active service	1,297,359	15.9	7,378,559	(1.8)
Total		\$536,846,460	17.0	\$3,138,248,317	16.8

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	January 2006	% Chg	Fiscal Year Total	% Chg
Transporting	\$4,374,484	4.6	\$34,862,532	3.8
Non-Metal Mining Oil/Gas	39,170,997	39.9	225,693,008	27.3
Utilities	630,228,555	19.6	4,876,053,324	12.4
Communications	260,599,548	9.4	1,825,118,833	7.1
Private Car/Pipelines	671,804	(42.2)	18,456,406	136.8
Publishing	11,641,323	-5.1	83,401,218	5.3
Job Printing	33,679,595	12.5	227,017,202	9.2
Restaurants & Bars	774,478,381	8.7	4,918,028,866	13.5
Amusements	77,647,197	4.4	500,384,165	10.9
Commercial Lease	223	N/A	(121,668)	N/A
Rental of Personal Property	298,119,538	3.0	2,047,303,505	9.4
Contracting	1,945,381,968	30.7	11,700,171,039	26.9

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Transaction Privilege and Severance Tax Taxable Sales By Class¹ continued

	January 2006	% Chg	Fiscal Year Total	% Chg
Feed Wholesale	0	0	0	0
Retail	5,783,926,394	14.5	30,960,731,151	15.9
Mining Severance	103,133,292	45.4	605,259,860	78.5
Timber Severance	3,647	629.9	7,521	168.9
Hotel/Motel	158,540,352	12.1	1,081,754,337	13.7
Membership Camping	573,737	18.6	1,575,318	(2.1)
Use Tax	628,306,454	30.1	3,755,050,002	22.1
Rental Occupancy Tax	614,205	141.7	2,609,855	1589.6
Total	\$10,751,091,692	17.5	\$62,863,356,472	17.5

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. Due to our new processing system, the report needed to provide this data is not available.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for January 2006 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$516,941	0.7	\$3,055,193	17.0
Cochise	1,212,243	1.7	8,076,505	29.4
Coconino	1,562,639	2.2	9,044,360	0.7
Gila	518,089	0.7	3,118,902	17.0
Graham	322,759	0.5	1,849,535	18.2
Greenlee	361,372	0.5	1,958,074	33.5
La Paz	195,155	0.3	1,163,964	17.1
Maricopa	45,698,013	64.8	259,959,515	16.4
Mohave	1,903,891	2.7	11,609,715	17.4
Navajo	1,066,605	1.5	6,339,483	15.1
Pima	10,301,479	14.6	58,874,029	14.3
Pinal	2,092,556	3.0	11,869,805	26.0
Santa Cruz	494,636	0.7	2,656,333	17.6
Yavapai	2,425,438	3.4	14,504,071	19.4
Yuma	1,878,837	2.7	10,374,431	15.0
Total	\$70,550,653		\$404,453,915	16.3

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for January 2006 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during January 2006 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Mar RDX	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svcs Dist	Capitol Projects	Tourism Authority
Apache			108,898							
Cochise			665,156							
Coconino			986,825	592,100					246,535	
Gila	286,268		272,217							
Graham			157,041							
Greenlee			88,498							
La Paz			99,893	99,893				(4)		
Maricopa	37,171,554	55,546		13,602,001	587,167	194				1,728,997
Mohave			658,401							
Navajo			651,928							
Pima					138,462		27,568			
Pinal	1,726,565		1,689,056							
S Cruz			349,499							
Yavapai			1,562,063	780,845						
Yuma			1,241,432	1,241,435				246,064	1,240,421	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in January 2006. The table compares the receipts to January 2005 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	January 2006	January 2005	% Change
Spirituos	\$ 2,773,410	\$ 3,738,233	(25.8)
Vinous	\$ 1,352,438	\$ 1,985,342	(31.9)
Malt	\$ 2,739,998	\$ 2,338,588	17.2
Cigarette	\$ 22,709,650	\$ 20,808,890	9.1
Other Tobacco	\$ 778,316	\$ 807,985	(3.7)
Tobacco Licenses	\$ 575	\$ 300	91.7
Total	\$ 30,354,387	\$ 29,679,338	2.3

	Fiscal Year (05/06)	Fiscal Year (04/05)	% Change
Spirituos	\$ 14,111,115	\$ 14,494,564	(2.6)
Vinous	\$ 6,444,081	\$ 6,448,994	(0.1)
Malt	\$ 13,602,435	\$ 13,470,830	1.0
Cigarette*	\$ 166,785,985	\$ 158,636,380	5.1
Other Tobacco	\$ 5,396,757	\$ 4,993,754	8.1
Tobacco Licenses	\$ 3,350	\$ 2,175	54.0
Total	\$ 206,343,723	\$ 198,046,697	4.2

*Through January 2006, \$456,700 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	January	FY05/06
Spirituos	\$ 1,941,387	\$ 9,877,781
Vinous	\$ 336,595	\$ 1,606,007
Malt	\$ 684,999	\$ 3,400,608
Cigarette	\$ 3,031,831	\$ 22,259,832
Other Tobacco	\$ 58,374	\$ 712,109
Tobacco Licenses	\$ 575	\$ 3,350
Total	\$ 6,053,761	\$ 37,859,687

Other dedicated revenues from luxury taxes:

	January	FY05/06
Correction Fund revenues	\$ 3,035,224	\$ 16,330,041
Tobacco Tax & Health Care Fund ²	\$ 7,988,604	\$ 58,489,130
Tobacco Products Tax Fund ³	\$ 11,971,805	\$ 87,222,187
Wine Promotional Fund revenues	\$ 6,058	\$ 20,052
Drug Treatment & Education Fund revenues	\$ 929,687	\$ 4,592,542
Corrections Revolving Fund revenues	\$ 369,249	\$ 1,825,186

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Estate Tax

January-06	\$ 514,090	Fiscal Year to Date	\$ 10,890,674
January-05	\$ 1,641,885	Fiscal Year to Date	\$ 22,387,487
% change	(68.7)	% Change	(51.4)

Bingo

January-06	\$ 77,942	Fiscal Year to Date	\$ 370,664
January-05	\$ 70,451	Fiscal Year to Date	\$ 360,727
% change	(10.6)	% Change	2.8

**Unclaimed
Property**

January-06	\$ 1,829,755	Fiscal Year to Date	\$ 41,546,742
January-05	\$ 2,078,007	Fiscal Year to Date	\$ 34,552,915
% change	(11.9)	% Change	20.2

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

TABLE 1
"New" Returns Filed in 2006 for Tax Year 2005
Through January 2006

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	13	0.1%	-\$75,544	\$0	26.3%	42.1%	21.1%	10.5%	10.5%	36.8%
\$0-\$5,000	2,606	15.3%	\$3,182	\$0	4.4%	61.8%	33.8%	0.0%	1.3%	55.7%
\$5,000-\$10,000	4,251	24.9%	\$7,506	\$15	5.8%	53.0%	40.9%	0.2%	1.1%	58.4%
\$10,000-\$15,000	3,138	18.4%	\$12,352	\$40	11.7%	28.7%	59.5%	0.2%	1.4%	75.1%
\$15,000-\$20,000	2,452	14.4%	\$17,428	\$96	17.6%	23.0%	59.2%	0.2%	1.3%	76.1%
\$20,000-\$25,000	1,652	9.7%	\$22,290	\$195	25.3%	23.9%	50.4%	0.3%	1.0%	75.3%
\$25,000-\$30,000	950	5.6%	\$27,322	\$332	27.5%	28.5%	43.5%	0.5%	0.9%	69.7%
\$30,000-\$40,000	954	5.6%	\$34,272	\$502	28.7%	31.7%	39.1%	0.5%	1.3%	67.4%
\$40,000-\$50,000	461	2.7%	\$44,013	\$733	38.7%	30.7%	30.0%	0.6%	0.9%	64.4%
\$50,000-\$75,000	410	2.4%	\$59,772	\$1,060	59.4%	22.9%	17.5%	0.2%	1.9%	63.0%
\$75,000-\$100,000	127	0.7%	\$84,952	\$1,657	71.7%	18.1%	10.2%	0.0%	4.7%	59.1%
\$100,000-\$200,000	39	0.2%	\$129,758	\$3,003	74.4%	10.3%	15.4%	0.0%	2.6%	66.7%
\$200,000-\$500,000	2	0.0%	\$233,759	\$1,353	100.0%	0.0%	0.0%	0.0%	50.0%	0.0%
\$500,000-\$1,000,000	0	0.0%	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A
\$1,000,000 and over	0	0.0%	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Total	17,055		\$16,259	\$155	13.5%	33.3%	39.5%	0.2%	1.3%	66.6%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2005 FOR TAX YEAR 2004

Total	258,482	\$22,021	\$390	17.0%	48.3%	16.1%	1.7%	7.5%	34.2%
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
January 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$269,135	30,848
Eagar	\$23,469	4,033	Tempe	\$1,383,930	158,625
Springerville	\$30,955	3,548	Tolleson	\$43,396	4,974
St. Johns	\$17,205	1,972	Wickenburg	\$44,338	5,082
<u>Cochise County</u>			Youngtown	\$26,261	3,010
Benson	\$41,101	4,711	<u>Mohave County</u>		
Bisbee	\$53,132	6,090	Bullhead City	\$294,619	33,769
Douglas	\$144,156	16,523	Colorado City	\$29,088	3,334
Huachuca City	\$15,277	1,751	Kingman	\$175,093	20,069
Sierra Vista	\$329,569	37,775	Lake Havasu City	\$365,890	41,938
Tombstone	\$13,122	1,504	<u>Navajo County</u>		
Willcox	\$32,569	3,733	Holbrook	\$42,899	4,917
<u>Coconino County</u>			Pinetop-Lakeside	\$31,251	3,582
Flagstaff	\$461,476	52,894	Show Low	\$67,135	7,695
Fredonia	\$9,039	1,036	Snowflake	\$38,911	4,460
Page	\$59,405	6,809	Taylor	\$27,709	3,176
Williams	\$24,795	2,842	Winslow	\$83,058	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$65,312	7,486	Marana	\$118,270	13,556
Hayden	\$7,782	892	Oro Valley	\$278,609	31,934
Miami	\$16,891	1,936	Sahuarita	\$28,285	3,242
Payson	\$118,828	13,620	South Tucson	\$47,898	5,490
Winkelman	\$3,865	443	Tucson	\$4,246,224	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,353	1,989	Apache Junction	\$277,562	31,814
Safford	\$80,545	9,232	Casa Grande	\$220,068	25,224
Thatcher	\$35,090	4,022	Coolidge	\$67,929	7,786
<u>Greenlee County</u>			Eloy	\$90,517	10,375
Clifton	\$22,649	2,596	Florence	\$150,132	17,208
Duncan	\$7,084	812	Kearny	\$19,621	2,249
<u>La Paz County</u>			Mammoth	\$15,373	1,762
Parker	\$27,395	3,140	Maricopa	\$43,605	4,998
Quartzsite	\$29,262	3,354	Superior	\$28,390	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$313,063	35,883	Nogales	\$182,151	20,878
Buckeye	\$74,132	8,497	Patagonia	\$7,686	881
Carefree	\$25,537	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,525	3,728	Camp Verde	\$82,456	9,451
Chandler	\$1,543,711	176,939	Chino Valley	\$71,253	8,167
El Mirage	\$66,385	7,609	Clarkdale	\$29,855	3,422
Fountain Hills	\$176,541	20,235	Cottonwood	\$80,083	9,179
Gila Bend	\$17,275	1,980	Dewey-Humboldt	\$29,908	3,428
Gilbert	\$957,056	109,697	Jerome	\$2,870	329
Glendale	\$1,909,034	218,812	Prescott	\$296,093	33,938
Goodyear	\$164,990	18,911	Prescott Valley	\$205,332	23,535
Guadalupe	\$45,612	5,228	Sedona	\$88,920	10,192
Litchfield Park	\$33,240	3,810	<u>Yuma County</u>		
Mesa	\$3,470,412	397,776	San Luis	\$133,677	15,322
Paradise Valley	\$119,212	13,664	Somerton	\$63,392	7,266
Peoria	\$945,426	108,364	Wellton	\$15,957	1,829
Phoenix	\$11,525,508	1,321,045	Yuma	\$677,766	77,685
Queen Creek	\$37,655	4,316			
Scottsdale	\$1,768,508	202,705	TOTAL	\$35,435,744	4,062,961

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
January 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$330,570	30,848
Eagar	\$43,218	4,033	Tempe	\$1,699,839	158,625
Springerville	\$21,132	1,972	Tolleson	\$53,302	4,974
St. Johns	\$38,021	3,548	Wickenburg	\$54,459	5,082
<u>Cochise County</u>			Youngtown	\$32,255	3,010
Benson	\$50,483	4,711	<u>Mohave County</u>		
Bisbee	\$65,261	6,090	Bullhead City	\$361,871	33,769
Douglas	\$177,062	16,523	Colorado City	\$35,727	3,334
Huachuca City	\$18,764	1,751	Kingman	\$215,061	20,069
Sierra Vista	\$404,800	37,775	Lake Havasu City	\$449,411	41,938
Tombstone	\$16,117	1,504	<u>Navajo County</u>		
Willcox	\$40,003	3,733	Holbrook	\$52,691	4,917
<u>Coconino County</u>			Pinetop/Lakeside	\$38,385	3,582
Flagstaff	\$566,817	52,894	Show Low	\$82,460	7,695
Fredonia	\$11,102	1,036	Snowflake	\$47,794	4,460
Page	\$72,966	6,809	Taylor	\$34,034	3,176
Williams	\$30,455	2,842	Winslow	\$102,017	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$80,221	7,486	Marana	\$145,267	13,556
Hayden	\$9,559	892	Oro Valley	\$342,207	31,934
Miami	\$20,746	1,936	Sahuarita	\$34,742	3,242
Payson	\$145,953	13,620	South Tucson	\$58,831	5,490
Winkelman	\$4,747	443	Tucson	\$5,215,508	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$21,314	1,989	Apache Junction	\$340,922	31,814
Safford	\$98,931	9,232	Casa Grande	\$270,303	25,224
Thatcher	\$43,100	4,022	Coolidge	\$83,435	7,786
<u>Greenlee County</u>			Eloy	\$111,179	10,375
Clifton	\$27,819	2,596	Florence	\$184,402	17,208
Duncan	\$8,701	812	Kearny	\$24,100	2,249
<u>La Paz County</u>			Mammoth	\$18,882	1,762
Parker	\$33,648	3,140	Maricopa	\$53,559	4,998
Quartzsite	\$35,942	3,354	Superior	\$34,870	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$384,525	35,883	Nogales	\$223,730	20,878
Buckeye	\$91,055	8,497	Patagonia	\$9,441	881
Carefree	\$31,366	2,927	<u>Yavapai County</u>		
Cave Creek	\$39,950	3,728	Camp Verde	\$101,278	9,451
Chandler	\$1,896,093	176,939	Chino Valley	\$87,518	8,167
El Mirage	\$81,539	7,609	Clarkdale	\$36,670	3,422
Fountain Hills	\$216,840	20,235	Cottonwood	\$98,363	9,179
Gila Bend	\$21,218	1,980	Dewey-Humboldt	\$36,735	3,428
Gilbert	\$1,175,522	109,697	Jerome	\$3,526	329
Glendale	\$2,344,808	218,812	Prescott	\$363,682	33,938
Goodyear	\$202,652	18,911	Prescott Valley	\$252,203	23,535
Guadalupe	\$56,024	5,228	Sedona	\$109,218	10,192
Litchfield Park	\$40,828	3,810	<u>Yuma County</u>		
Mesa	\$4,262,601	397,776	San Luis	\$164,192	15,322
Paradise Valley	\$146,425	13,664	Somerton	\$77,863	7,266
Peoria	\$1,161,238	108,364	Wellton	\$19,600	1,829
Phoenix	\$14,156,431	1,321,045	Yuma	\$832,479	77,685
Queen Creek	\$46,251	4,316			
Scottsdale	\$2,172,204	202,705	TOTAL	\$43,539,035	4,062,961